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Czech Republic

Trade Policy Monitoring

SAPARD - Support for Czech Accession to the EU 2002

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Report Highlights: The European Union is providing significant support to the Czech agriculture and food processing sectors through the SAPARD program. The goal is to help the Czech Republic reach EU standards more quickly, thereby easing the accession process. This report contains a short summary of the Czech SAPARD program and sources for more detailed information.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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SAPARD Program Launched in the Czech Republic

The European Commission launched the SAPARD program (Special Accession Program for Agriculture and Rural Development) in the Czech Republic on April 15, 2002.

The General Manager of SAPARD, Petr Buchal, announced a deadline for applications for funds under this program was May 15, 2002. Czech farmers and food processors had one month to submit applications in seven different program areas:

- investments in agricultural property
- improved processing and marketing of agricultural commodities and fishery products
- improved structure for quality control, food control and protection of consumers
- land changes
- reconstruction and development of villages and rural infrastructure
- development and diversification of economic activities bringing alternative income sources
- technical aid

These seven areas cover 95% of total financial SAPARD support for the Czech Republic and an additional two program areas will be implemented at a later date. There are:

- improvement of professional education
- supporting for agricultural production methods that help to protect the environment

SAPARD has 7 regional offices throughout the Czech Republic (Praha, Ceske Budejovice, Usti nad Labem, Hradec Kralove, Brno, Olomouc, Opava) and will administer \$68 mil. (2.4 bil CZK) through the end of 2003. The Czech government's contribution to the SAPARD program will be \$28 mil. (1 bil. CZK) this year.

In the first 'round' of programs ending May 15, 2002, SAPARD received almost 900 project applications totaling \$88,000,000 (3.1 bil. CZK). The areas with the highest number of project proposals include land exchanges and rural development. The food processing industry has not presented many proposals and food processors are being encouraged by the Ministry of Agriculture to send in proposals to improve the processing and marketing of agricultural products. SAPARD would reimburse companies for up to 50% of the costs of the investment. Food processors may use the funds to upgrade for meat, poultry and fish processing facilities (these projects run between \$8,500 to \$570,000 (300,000 CZK - 2 mil. CZK)), or to purchase hardware and software for the classification of slaughter cattle and hogs according to the EU's SEUROP method, or for equipment necessary for implement HACCP standards (projects \$8,500 to \$286,000 (300,000 CZK - 1 mil. CZK)).

The application process can be quite complicated, which has led some smaller processing companies not to pursue the program. To help alleviate this, the SAPARD regional offices are helping applicants fill out forms. The SAPARD control body monitors the use of funds and, if there is a lack of interest in a particular program area, funds may be transferred onto different project areas.

Later this year there will be a second round for accepting applications. The deadline for the second round has not yet been announced.

More detailed information about the SAPARD program in the Czech Republic may be found at:

http://europa.eu.int/comm/agriculture/external/enlarge/countries/czech/plan/plan1_en.pdf

and

<http://www.mze.cz/eng/>